



## Term Project Paper

### Effectiveness paying and adequately for Lao Civil Servant

By Langsith THANASOUK<sup>1</sup>

**A**bstract: Lao People's Democratic Republic (hereafter, Laos or Lao P.D.R) is also one of the least developed countries in Southeast Asia in the present time. Since 1975 of liberation from the U.S. protectorate, changing the regime, and formed government by people ruler; The Lao government has play role in healing and rebuilding the country in various sectors, and has emphasis on improving the capacity building of its civil service by putting it as one of the priority master plan of the government in each periods. Since 1991 the first Constitution of Lao PDR was promulgated, various Prime Ministerial Decrees and regulations which related to civil servant was commenced and shared its own responsibilities to vary sectors.

Due to the growth of national social economic, the number of servants has been increasing rapidly from in average 5.3 % per year. The number of new recruitment officials in last year (2011) was 17,000 for both central and local government. But, the compensation, remuneration and other benefits still low when compare to the cost of living which high day to day.

**K**eywords: Civil Servant Management, Public Payment System, Public Servant Laos.



## I. Introduction

Laos has been known since ancient times as LanXang, or Land of the Million Elephants (LanXang Kingdom) which established in the 14<sup>th</sup> Century (Anno Domini

---

<sup>1</sup>Langsith THANASOUK is a student of the Global Master of Public Administration (GMPA) within the Master's Degree Program in Global Public Administration, conducted by the Graduate School of Public Administration (GSPA), Seoul National University (<http://snu.ac.kr/>). He research interests include history, background, and developments of Southeast Asia, particularly to evolutions about Laos for developments in the future; (langsith@gmail.com); 서울대학교 01086846007 © All rights reserved by Author, GMPA, Graduate School of Public Administration, Seoul National University, Republic of Korea. (Date of Present 05 June 2012; and final submission **06 June 2012**)

1353) by King Chao Fa NGum Maharaj. For 300 years LanXang had influence reaching into the present-day.

After centuries of gradual decline, Laos came under the domination of Siam (Thailand) from the late 18<sup>th</sup> century until the late 19<sup>th</sup> century when it became part of French Indochina. The Franco-Siamese Treaty of 1907 defined the current Lao border with Thailand.

In December 02, 1975 Laos had liberty from the United States protectorate and built new regime so-called People's Democracy regime, led by the 1<sup>st</sup> President SOUPHANOUVONG (former Prince) and the Prime Minister Kaysone PHOMVIHANE. A gradual return to private enterprise and the liberalization of foreign investment laws began in 1986 and open the country to international relations. Then, Laos became a member of ASEAN on July 23, 1997 and other parties' member of the world up to now.

As I was aforementioned, Lao P.D.R was established in 1975 as a sovereign state, the area of land is 236.800 km<sup>2</sup>, and it is a landlocked country in the Southeast Asia, share borders with 5 countries:

- China to the North 417 Km
- Vietnam to the East 1.957 Km
- Cambodia to the South 493 Km
- Thailand to the West 1. 835 Km [and]
- Myanmar to the Northwest 237 Km.

Laos has a multi-ethnic population of 6.2 million (2010) with a growth rate of 2.3%, birth rate of 33.94/1,000 and death rate of 11.02/1,000 per annum, over 70% of the population resides in rural areas (inhabitants), hence Laos has one of the lowest population densities in the region (24 people per Km<sup>2</sup>). The population consisting of 2.82 million females and 2.80 million males grew at 2.1% per annum during the previous decade. The age-pyramid of Lao PDR reflects a young population; about 40 percent of the population was below the age of 14 in 2005. Urban areas take up less than one percent of the total land area. About 70% of the country is mountainous; the rest of the country consists of the Mekong floodplains and other river valleys. Forest covers over a third of the country, making it one of the most heavily forested countries in the region. The population is predominantly located in rural areas (over 70%). The country has a multi-ethnic population; the census classifies them into 49 main ethnic groups.

Lao P.D.R (Laos) is also one of the Least Developed Countries (LDCs) in Southeast Asia in the present time; it is ranked 130 out of 177 countries in the Global Human Development Index 2007-2008. Since Laos was liberated from the U.S colonial in December 1975, The Lao government has play role in healing and rebuilding the country in various sectors, and has emphasis on improving the capacity building of its

civil service by putting it as one of the priority master plan of the government in each periods. Since 1991 the first Constitution of Lao PDR was promulgated, various Prime Ministerial Decrees and regulations which related to civil servant was commenced and shared its own responsibilities to vary sectors.

Civil Service Improvement is a main area of Public Service Improvement, which consists of 4 strategic areas, such as:

- 1) Improving State Management Regulations;
- 2) Reforming Organizational Machinery;
- 3) **Improving Civil Service Management;**
- 4) Strengthening Central-Local Relationships.

The civil service in Laos is implementing widespread reform against the backdrop of a demanding internal and external environment, while facing a number of significant challenges. Since 1975, governance reform has played an important role in reaching the country's goals to consolidate the nation-state, create national unity and establish the basis for sustainable and equitable development. Achieving such goals is impossible without a transparent and accountable public service which is dynamic and responsive enough to adjust over time to reflect the ever-changing realities.

Although we have been requested to share only one innovation in this area, there are many examples of how governance and public administration reform is gradually introducing a stronger culture and practice of transparency and accountability into the Lao PDR public service. These are wide-ranging, and include such critical initiatives as the National Accounting System and the Citizen's Report Card.

The recent introduction of the **National Accounting System (NAS)** has significantly changed the process of completing and reporting accounts at central and local level, resulting in a significant increase in transparency and accountability, in addition to increasing the quality of service delivery in this area. The National Accounting System was initiated by the **Department of Treasury** in the **Ministry of Finance** in 1996, and has now been successfully implemented at Central and Provincial levels across Lao PDR. It has had a major impact in accounting, reporting and payment accuracy, transparency and schedules. The tangible results have included monthly reports being produced more quickly, with greater accuracy, leading to quicker submission to the Ministry of Finance, Treasury and Accounting Departments at Central level, and better control and quicker disbursement of funds. The introduction of accounting software, designed in the Lao language, has effectively utilized local expertise and promoted local ownership.

A recent evaluation has revealed that this change in systems has directly resulted in clearer ownership, and that staff now feel more empowered to take full ownership of their jobs, as they can now be held more fully accountable for their successes and failures. Another example of how the Lao Government is developing a more transparent and accountability work culture and institutional framework is through

the recent piloting of the Citizens' Report Card in a number of provinces throughout the country. **The first Citizens' Report Card Survey in Lao PDR was conducted in 2007** in three provinces. This Report is a demand-side survey technique that will allow the Government of Lao PDR to monitor citizens' level of satisfaction on the services which are being delivered by the government. In this first pilot survey, a number of aspects of service delivery were benchmarked such as accessibility, affordability, transparency and satisfaction in the agriculture, education and health sectors, all of which are essential to increasing the livelihood and well-being of Lao citizens. In Luang Prabang, the survey also probed into issues relevant to small and medium enterprises such as banking, customs, cross-border trade and taxation.

Although the report is currently in the editing stage, the final document will compare the different provinces and services, differentiating on important aspects such as ethnicity and gender. It will highlight the most important opportunities and challenges the provinces and sectors have to deal with, providing initial suggestions. This participatory assessment of public service delivery can be seen as a baseline activity, providing insights into key areas where improvements are of high priority, giving an indication of how such services can further be improved.

As with the National Accounting System, it is envisaged that the Citizens' Report Card will contribute directly to the reforms in transparency and accountability underway within the Lao civil service. As agencies are made more aware of citizens' level of satisfaction in their service delivery, organizations will be required to discuss the effectiveness and efficiency of service providers in more detail, and to openly identify the challenges and opportunities for improvement. It will also open up avenues for citizens and the private sector to have a greater voice in service delivery mechanisms.

Other examples of important reform activities underway include the development of a Civil Service Code of Conduct, the increasing use of technology such as the development of a **Personnel Information Management System (PIMS)**. In addition, the Law on Anti-corruption was adopted by the National Assembly in May 2005, which the State Inspection Authority has disseminated at both central and local levels. The organizational structure of anti-corruption agencies has been improved, and the Department of Anti-Corruption Inspection has been established. The State Inspection Authority has also drafted an Instruction of the Prime Minister pertaining to Asset and Debt Declaration and Registration of civil servants at all levels.

In 2006 Lao Government enacted the Government Priority Policy for 5 years term (2006-2010) there are 11 frameworks and 111 Programs, especially to the 11<sup>th</sup> framework determined on Improve and enhancement of effectiveness on public administration especially to administrative organizations.

The **6<sup>th</sup> National Socio-Economic Development Plan (NSED) 2006-2010** was determined on sound financial management which related to public service such as:

- Development of a sound fiscal policy;
- Development of transparent and accountable practices for revenue collection;
- Development of transparent and accountable practices for expenditure planning and management;
- Modernization of the accounting system;
- Development of a banking sector capable of supporting private sector growth.

Before FY 2009-2010 (2008) the new procedures will strengthen the commitment control mechanism and budget control effectiveness. The reengineering the budget execution process cannot be dissociated from the design of the budget control system. A concept note on Cash Management has been drafted with technical support from the European Commission. Then after, Government developed payment mechanism through ATMs as a salary collection option is being discussed with banks. The payroll system is limited to basic functions and manages the payment recording and distribution of Finance Ministry salaries. Nowadays, cover throughout the country.

## II. Analysis of Problem/Issue

In 2003, the government had issued the Degree on Civil Service of the Lao P.D.R (82/PM, dated 19<sup>th</sup> May 2003), which was implemented by all governmental organizations with the supervision and inspection by the Public Administration and Civil Service Authority (PACSA).

The Ministry of Home Affairs (was upgraded on Jun. 15, 2011 from the PACSA which was governmental agency level to be the Ministry level), on behalf of the Government of Lao P.D.R that is responsible for civil service management and public administration reform in both central and local level throughout the country considers civil service system reform and the capacity building in the administrative institute as a significant issue for country to release from the underdeveloped country. In order improve the civil service system and capacity building of the Lao civil servants who are the key figures driving the national social-economic.

The Organizational Structure of the Ministry of Home Affairs, there are 12 Departments and 3 equivalent offices, center and institute, in depth as follow:

1. Office;
2. Organizational-Personnel Department;
3. Inspection Department;
4. Planning and Cooperation Department;
5. Department of Public Administration Development;
6. Department of Local Administration;
- 7. Department of Public Servant Management;**
8. Department of Civil Servant Evolution and Development;
9. National Geography Department;

10. National Archive Department;
11. Citizenship Management Department;
12. Ethnicity and Religious Department;
13. Awards Department;
14. Survey, Metrology and Geographic Center. [and]
15. Administration Science Research and Training Institute;

Civil Service in the Lao P.D.R is a unified management system of the Government and has the following functions:

- 1) To enact rules and instructions pertaining to civil service management;
- 2) To plan the training and development of civil servants;
- 3) To determine job descriptions and the qualifications needed;
- 4) To determine the quota of civil servants for the whole country;
- 5) To determine the regulations on the selection, examination, grade promotion and step advancement;
- 6) To train and develop civil servants and evaluate their work performance;
- 7) To steer and implement the remuneration as well as reward and disciplinary system for civil servants;
- 8) To collect data on civil servants and file it;
- 9) To deploy civil servants;
- 10) To guide, advise and settle complaints and grievances about civil servants from the public;
- 11) To inspect and monitor the implementation of civil service rules and regulations.

Rights and Benefits of Lao Civil Servants were determined in the Chapter V. of the Decree on Civil Service of the Lao P.D.R, especially to the Article 22. In addition to the basic rights of Lao people as stipulated in the Constitution and laws, civil servants also have the right to receive various remunerations from their work such as wages, pensions, bonuses, single lump sum payments and other allowances and benefits paid by either the Government budget or the social security fund.

Civil servants working in difficult conditions or with toxic substances shall receive an additional hazard allowance.

**Job/Staff Classification:** The civil service within the Lao PDR is classified according to **grade and step**. Administration, technical staff and executive positions are differentiated. There are 5 grades and each grade consists of 15 steps.

Civil servant at the grade I and II levels shall be called “Administrative Affairs Assistants”, Civil servants at grade III, IV and V levels shall be called “Technical Officers” and each grade is divided into a further 3 levels based on the level of education attained and seniority in the civil service.

Grades Steps	Level 1					Level 2				Level 3					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
V															
IV															
III															

### Classification of salary schedule

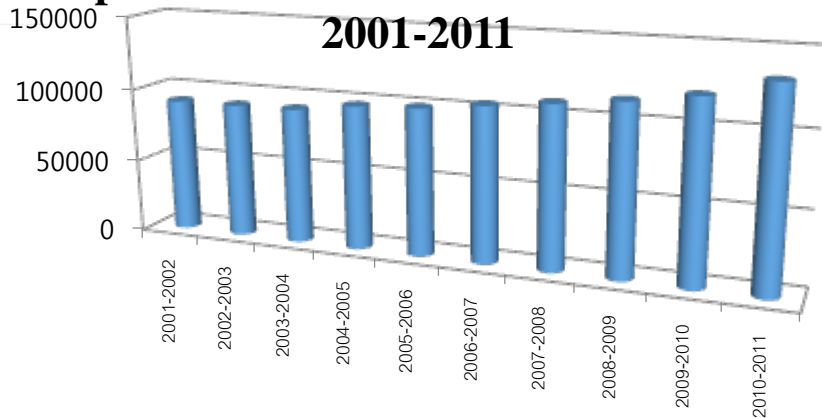
Be based on the academic degree, profession or the job descriptions.

- 1) Grade 1. General educations;
- 2) Grade 2. Professional school of preliminary qualification;
- 3) Grade 3. Certificate from the professional school of medium qualification, certificate of pre-bachelor's degree, certificate from school of the high qualification the study period of which less than 3 years;
- 4) Grade 4. Certificate of PhD, High graduate diploma, Master degree, Graduate diploma, bachelor degree or equivalent and certificate from school of the high qualification the study period more than 3 years;
- 5) Grade 5. Persons who ended of the function of high leadership and who surpassed the grade 4.

10 years, the growth of national socio-economic in the new era, the number of servants has been increasing rapidly from 91.070 in 2001 to 132.451 in 2011 in average 5.3 % per year. The number of new recruitment officials in last year (2011) was 17,000 for both central and local level (ration of female civil service 41% of whole government officials). But, the compensation, remuneration and other benefits still low when compare to the cost of living which high day to day.

<b>Comparison Number of Civil Servants since 2001-2011</b>	
Fiscal Years	Number of Civil Servants
2001-2002	91.070
2002-2003	91.330
2003-2004	91.953
2004-2005	97.601
2005-2006	99.659
2006-2007	104.726
2007-2008	109.359
2008-2009	114.242
2009-2010	120.651
2010-2011	132.451

## Comparison Number of Civil Servant since 2001-2011



L'Angsith summarized 2012

## Remunerations

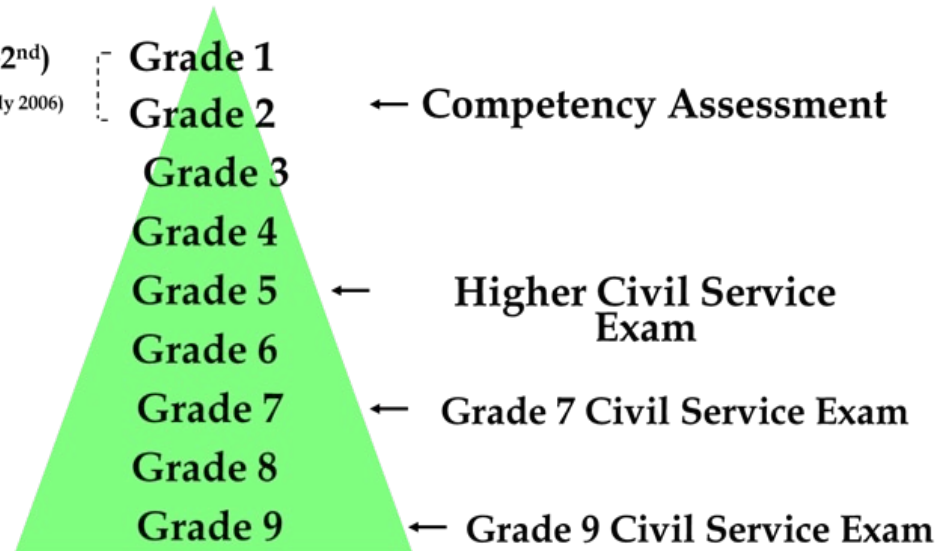
The remuneration system for Lao civil servants is aligned with the grade and step banding system. The Civil Servants in Lao PDR are classified into 5 grades, from grade I to grade V, and each grade has 15 steps matching respective salary indexes. Indexes and their values shall be determined periodically depending on the GDP of country.

Pay steps	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
15	165	205	261	333	421
14	162	200	254	324	410
13	159	195	247	315	399
12	156	190	240	306	388
11	153	185	233	297	377
10	150	180	226	288	366
9	147	175	219	279	355
8	144	170	212	270	344
7	141	165	205	261	333
6	140	162	200	254	324
5	139	159	195	247	315
4	138	156	190	240	306
3	137	153	185	233	297
2	136	150	180	226	288
1	135	147	175	219	279



## Rank and Hierarchy

SCS (1-2<sup>nd</sup>)  
(Launched in July 2006)



일반직 공무원과 일반직에 준하는 특성직 및 별정직 공무원 등의 봉급표

(월지급액, 단위: 원)

계급· 장부등급 호봉	1급	2급	3급	4급· 6등급	5급· 5등급	6급· 4등급	7급· 3등급	8급· 2등급	9급· 1등급
1	3,190,800	2,872,600	2,591,500	2,221,100	1,985,000	1,637,500	1,469,400	1,310,200	1,165,200
2	3,302,600	2,979,200	2,687,500	2,311,800	2,065,200	1,713,600	1,536,500	1,373,800	1,224,900
3	3,417,400	3,086,900	2,786,100	2,404,000	2,148,300	1,792,200	1,607,400	1,440,900	1,288,200
4	3,534,600	3,196,200	2,885,700	2,498,400	2,234,800	1,872,600	1,682,100	1,509,200	1,355,300
5	3,654,700	3,306,500	2,986,700	2,594,000	2,323,700	1,955,200	1,759,200	1,580,600	1,423,000
6	3,776,300	3,417,300	3,088,900	2,690,500	2,414,300	2,040,300	1,838,300	1,653,500	1,492,300
7	3,899,600	3,529,400	3,192,100	2,787,900	2,506,400	2,125,400	1,918,200	1,726,900	1,558,500
8	4,024,200	3,641,500	3,295,600	2,886,000	2,599,600	2,210,900	1,998,200	1,797,100	1,622,500
9	4,150,200	3,754,100	3,400,000	2,984,100	2,693,000	2,296,600	2,074,400	1,864,300	1,683,700
10	4,277,100	3,866,900	3,504,400	3,082,200	2,787,200	2,377,100	2,147,200	1,927,700	1,742,500
11	4,403,800	3,980,100	3,608,800	3,181,200	2,874,900	2,453,400	2,215,800	1,989,200	1,798,600
12	4,534,600	4,097,100	3,717,300	3,274,400	2,959,700	2,528,500	2,283,200	2,049,300	1,854,400
13	4,666,300	4,214,900	3,818,000	3,361,600	3,040,300	2,599,100	2,347,200	2,107,100	1,907,800
14	4,798,300	4,321,400	3,911,400	3,442,900	3,115,300	2,665,800	2,408,500	2,162,200	1,959,700
15	4,913,600	4,419,900	3,997,500	3,519,400	3,186,200	2,730,000	2,466,800	2,215,100	2,009,400
16	5,016,000	4,510,000	4,077,900	3,591,500	3,253,000	2,790,000	2,522,300	2,266,200	2,057,500
17	5,106,800	4,593,000	4,152,500	3,658,500	3,315,700	2,847,300	2,575,500	2,314,000	2,104,400
18	5,187,700	4,668,700	4,221,900	3,721,300	3,375,100	2,901,600	2,626,200	2,360,300	2,148,200
19	5,260,100	4,738,700	4,286,200	3,779,700	3,430,800	2,952,900	2,673,900	2,404,800	2,191,100
20	5,325,100	4,802,700	4,346,100	3,834,400	3,483,100	3,001,400	2,719,500	2,447,200	2,232,100
21	5,384,900	4,861,000	4,401,800	3,885,600	3,532,300	3,047,900	2,763,000	2,487,800	2,270,700
22	5,438,300	4,914,700	4,453,300	3,933,500	3,578,600	3,091,600	2,804,000	2,526,600	2,307,900
23	5,483,100	4,963,800	4,500,900	3,978,500	3,622,300	3,132,700	2,843,700	2,563,600	2,343,200
24		5,003,800	4,545,300	4,020,700	3,663,000	3,171,900	2,881,400	2,599,300	2,377,200
25		5,042,100	4,581,900	4,059,500	3,701,500	3,209,200	2,916,900	2,633,100	2,409,500
26			4,616,500	4,092,500	3,737,900	3,244,400	2,951,100	2,666,000	2,438,800
27			4,649,000	4,122,800	3,768,100	3,277,800	2,980,100	2,693,400	2,464,000
28				4,151,700	3,797,100	3,305,700	3,007,100	2,719,800	2,488,300
29					3,823,600	3,332,000	3,033,200	2,744,700	2,511,800
30					3,849,500	3,357,800	3,057,900	2,768,900	2,534,400
31						3,381,700	3,081,400	2,792,300	2,556,900
32						3,404,500			

### Case of U.S.

2011 General Schedule (GS) Base Rates by Grade and Step (Reflecting 1.4% Proposed Increase) X											
Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Within Grade
1	\$ 18,052	\$ 18,656	\$ 19,256	\$ 19,853	\$ 20,453	\$ 20,806	\$ 21,399	\$ 21,998	\$ 22,021	\$ 22,581	VARIES
2	\$ 20,297	\$ 20,780	\$ 21,451	\$ 22,021	\$ 22,268	\$ 22,923	\$ 23,579	\$ 24,234	\$ 24,889	\$ 25,544	VARIES
3	\$ 22,146	\$ 22,884	\$ 23,622	\$ 24,360	\$ 25,099	\$ 25,837	\$ 26,575	\$ 27,313	\$ 28,051	\$ 28,789	\$ 738
4	\$ 24,861	\$ 25,690	\$ 26,518	\$ 27,347	\$ 28,175	\$ 29,003	\$ 29,832	\$ 30,660	\$ 31,489	\$ 32,317	\$ 828
5	\$ 27,815	\$ 28,742	\$ 29,669	\$ 30,595	\$ 31,522	\$ 32,449	\$ 33,376	\$ 34,303	\$ 35,229	\$ 36,156	\$ 927
6	\$ 31,005	\$ 32,038	\$ 33,072	\$ 34,105	\$ 35,138	\$ 36,171	\$ 37,205	\$ 38,238	\$ 39,271	\$ 40,304	\$ 1,033
7	\$ 34,455	\$ 35,604	\$ 36,752	\$ 37,901	\$ 39,050	\$ 40,199	\$ 41,348	\$ 42,497	\$ 43,646	\$ 44,794	\$ 1,149
8	\$ 38,158	\$ 39,429	\$ 40,701	\$ 41,973	\$ 43,244	\$ 44,516	\$ 45,787	\$ 47,059	\$ 48,330	\$ 49,602	\$ 1,272
9	\$ 42,145	\$ 43,549	\$ 44,954	\$ 46,358	\$ 47,762	\$ 49,167	\$ 50,571	\$ 51,976	\$ 53,380	\$ 54,784	\$ 1,404
10	\$ 46,412	\$ 47,959	\$ 49,507	\$ 51,054	\$ 52,601	\$ 54,149	\$ 55,696	\$ 57,243	\$ 58,791	\$ 60,338	\$ 1,547
11	\$ 50,991	\$ 52,690	\$ 54,390	\$ 56,089	\$ 57,789	\$ 59,488	\$ 61,188	\$ 62,887	\$ 64,587	\$ 66,286	\$ 1,699
12	\$ 61,118	\$ 63,155	\$ 65,192	\$ 67,229	\$ 69,266	\$ 71,303	\$ 73,341	\$ 75,378	\$ 77,415	\$ 79,452	\$ 2,037
13	\$ 72,677	\$ 75,100	\$ 77,522	\$ 79,945	\$ 82,367	\$ 84,790	\$ 87,212	\$ 89,635	\$ 92,057	\$ 94,479	\$ 2,422
14	\$ 85,883	\$ 88,745	\$ 91,608	\$ 94,470	\$ 97,333	\$100,195	\$103,058	\$105,920	\$108,783	\$111,645	\$ 2,863
15	\$101,023	\$104,390	\$107,758	\$111,125	\$114,493	\$117,860	\$121,228	\$124,595	\$127,963	\$131,330	\$ 3,367

### **III. Review**

The Government of Lao PDR has directly identified the key role which the Human Resource function plays in achieving the Government's vision of development. The first version of a Civil Service Management Strategic Framework in Lao PDR was presented and Government Conference neutral last year.

The CSM Framework separates civil servant management activity into 6 main components:

- 1) Personnel planning;
- 2) Staff management practices;
- 3) Pay and conditions;
- 4) Performance management;
- 5) Human resource management; [and]
- 6) Leadership & communication.

The highly important or priority of civil service, as it refers to increasing organizational productivity and effectiveness by improving salary and wage

adjustment as a key point which supported to the CSM Framework, especially to the Pay and conditions matters.

In the researching, I'd like to focus and emphasis to find out the solution how to seek solutions to improve remuneration and salary system as well as payroll system for staff and civil servant aimed for increase salary/wage for Lao public officials.

**Governmental organizations (central) and Local authorities where public official working in vary places and locations throughout the country, there are 3 majors as follow:**

**Government machinery (central level):**

1. **Government's Office;**
2. Ministry of Defense;
3. Ministry of Public Security;
4. **Ministry of Foreign Affairs;**
5. **Ministry of Finance;**
6. Ministry of Justice;
7. **Ministry of Planning and Investments;**
8. **Ministry of Agriculture and Forestry;**
9. **Ministry of Industry and Commerce;**
10. **Ministry of Energy and Mines;**
11. Ministry of Public Works and Transport;
12. Ministry of Health;
13. **Ministry of Labor and Social Welfare;**
14. Ministry of Education and Sports;
15. Ministry of Information, Culture and Tourism;
16. **Bank of the Lao P.D.R.**
17. **Ministry of Home Affairs; (New)**
18. Ministry of Natural Resources and Environment; (New)
19. Ministry of Science and Technology; (New)
20. Ministry of Post, Telecommunication and Communication; (New) [and]
21. Government Inspection Authority. (New)

**Organizations in central level:**

1. National Assembly;
2. People's Supreme Court;
3. People's Supreme Prosecutor Office;
4. Presidential Office;
5. Party Central Office;
6. Central Committee for Organization and Personnel;
7. Party Central Committee for Inspection;
8. Propaganda and Training Board;
9. Central Committee for International Relation;
10. Lao Front for National Construction;
11. Lao Youth Union People's Revolutions;
12. Lao Women's Union;

13. Lao Trade Union Federation;
14. National Academy for Policy and Public Administration;
15. National Museum;
16. Lao Red Cross Society Organization;
17. Lao Veteran's Federation;
18. National Academy of Social Sciences.

**Provincial (local level):**

1. Vientiane (the Capital City);
2. Vientiane Province;
3. Phongsaly Province;
4. Huaphan Province;
5. Luang Namtha Province;
6. Borkeo Province;
7. Oudomxai Province;
8. Luang Prabang Province;
9. Xayaboury Province;
10. Xieng khuang Province;
11. Borlikhamxai Province;
12. Kham Muane Province;
13. Savanhnakheth Province;
14. Salavan Province;
15. Xekong Province;
16. Attapeau Province; [and]
17. Champasak Province.

Based on the Labor Law, State's Budget Law (amended issues in 2006) and Decrees on Operation of those Laws was determined on minimum wage throughout the country as 348,000 Lao Kip (= \$ 43, 5) that was suitable for the society at that time, but now socio-economic was changed and cost of living high, due to global economic and inflation of Lao Kip currency.



**Lao ATM for Civil Servant**

Started to use Since September 2008 as the First time of Lao Public Service (there are 17 units of government, such Ministries/ Authorities/ Agencies in the Central level)

(For my Office "PACSA", started 24<sup>th</sup> September 2008)



## Contributor

### Banque pour le Commerce Extérieur Lao (BCEL)



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
 ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ

ເລກທີ 21  
 ນະຄອນຫລວງວຽງຈັນ, ວັນທີ 21/12/2010

ຕາຕະລາງເງິນເດືອນຂອງພະນັກງານ  
 ພະບວງການປົກຄອງ ແລະ ຄຸ້ມຄອງລັດຖະກອນ ເຂົ້າຕໍ່ ATM, ປະຈຳເດືອນ 07 / 2010

ລ/ດ	ຊື່ບັນຊີທະນາຄານ	ເລກບັນຊີ	ຈຳນວນເງິນເດືອນ	ສະພາບເງິນ
1	Ms Bounpheng MOUNPHOXAY	010.6.12.00.31271	2,152,395.00	
2	Mr. Seuth SOULIGNADETH	010.6.12.00.31259	1,068,607.00	
3	Mrs. Athiphone BOUNNAPHOL	010.6.12.00.31260	1,304,033.00	
4	Mr. Khammoune VIPHONGXAY	010.3.12.00.31272	1,307,553.00	
5	Mr. Doungnany SOUVANNO	010.0.12.00.31303	1,314,746.00	
6	Mr. Nisith KEOPANYA	010.5.12.00.31289	909,124.00	
7	Mr. Vixay PHANDANOUVONG	010.5.12.00.31290	909,148.00	
8	Mr. Khamphanh PANGNASACK	010.3.12.00.31261	1,016,773.00	
9	Mr. Khampane SIVONGXAY	010.0.12.00.31262	908,022.00	
10	Mrs. Thonghouth SAYASONE	010.1.12.00.31306	955,861.00	
11	Mr. Singthavone DALAVONG	010.1.12.00.31287	968,952.00	
12	Mr. Thongvath SIVAVANH	010.4.12.00.31286	979,440.00	
13	Mr. Siphouk VONGPHAKDY	010.0.12.00.31273	975,668.00	
14	Mr. Khamphanh SAKLASING	010.7.12.00.31304	939,692.00	
15	Mr. Bounchanh NIYAVONG	010.7.12.00.31285	857,013.00	
16	Mr. Somdy SIRIRAT	010.8.12.00.45100	852,938.00	
17	Ms Vilayone SOUNTHONEXAYMONGKONH	010.1.12.00.27417	811,860.00	
18	Mr. Thongsavanh PANYAVICHITH	010.0.12.00.31295	851,104.00	
19	Mrs. Chantia ONXAYVIENG	010.8.12.00.31307	816,459.00	
20	Mr. Sengaloun NHOTLEUXAY	010.4.12.00.31297	801,286.00	
21	Mr. Amphai SIMMASONE	010.6.12.00.31293	755,278.00	
22	Mr. Somleng DUANGMANY	010.4.12.00.31264	740,857.00	
23	Mr. Khamphoune KEOSAVANH	010.8.12.00.31288	706,159.00	
24	Mr. Soulivanh ONTAVONG	010.7.12.00.08898	945,991.00	
25	Mr. xayvisith KINGKEO	010.5.12.00.17485	731,432.00	
26	Mrs. Khamlangiem RATSAPHONG	010.0.12.00.31284	703,712.00	
27	Mr. Savang XAYAVONG	010.6.12.00.31282	717,905.00	



*(ATM, 30 KM far from City in Vientiane)*

*Convenient for user in central and local*



*(ATM at the Luang Prabang Province, UNESCO world heritage city)*

#### **IV. Conclusion: Solution to the Problem/Issue**

After finished researching on salary/wage paying for Lao officials, which I've gained from the questionnaires answered and varies comments/ideas from interviewing with the staffs or officials who has task and experiences related to personnel managements and related field, they also admired to the government decided to implemented the new kind of payment in the pass (2008), especially to electronic machine (transferring through Bank account/ATM) it helpful and comfortable for all Lao government officials, made the government to be more transparency and accountability of public officials, mostly were happy after used the new kind of remuneration and salary system.

In the research, if we'd like to increase more effectiveness on paying, rise minimum wage, efficient, public service, some regulations might improve and draft the new one, Government have to evaluate and study more how to solve those problem, some comments in implication new type of officer in the future, it should be solve another issues, such as: low salary/wage, lack of capacity, motivation, corruption, 3 PM syndrome, etc.

To achieve those goals, Lao government face many challenges ahead, such as lack of reinforcing the regulations, budget, although Lao government has experienced some challenges but many public officials still have found it difficulties to access services partly due to the IT process, system, especially to the remote area, limited capacity of staff, a shortage of well-defined operational guidelines, legal references and inappropriate behaviors of some civil servants who upset when they thought or compare their own salary/wage to private sectors or international organizations.

## V. References

1. National Assembly, (2003), *Constitution of the Lao P.D.R* (revision) dated 6<sup>th</sup> May 2003;
2. National Assembly, (2003), *Law on Government of Lao P.D.R* (amended issue) № 02/NA, dated 6 May 2003;
3. National Assembly, (2003), *Law on Local Administration of the Lao P.D.R* № 03/NA, dated 21 Oct. 2003;
4. National Assembly, (2006), *Law on State Budget* (amended issue) № 02/NA, dated 26 December 2006;
5. National Assembly, (2006), *Law on Commercial Bank* № 03/NA, dated 26 December 2006;
6. National Assembly, (2006), *Law on Labor* (amended issue) № 06/NA, dated 26 December 2006;
7. National Assembly, (2007), *Law on State Inspection* № 02/NA, dated 02 July 2007;
8. National Assembly, (2007), *Law on Audit* № 05/NA, dated 03 July 2007;
9. National Assembly, (2011), *The New Government Approval by National Assembly at the 1<sup>st</sup> ordinary session of the 7<sup>th</sup> Legislature in 15<sup>th</sup> June 2011*;
10. Government of Laos, (2003), *Prime Ministerial Decree on Civil Service of the Lao P.D.R* № 82/PM, dated 19<sup>th</sup> May 2003;
11. Government of Laos, (2003), *Public Service Reform, "People's Participation, Rule of Law and Sound Financial Management: A Policy Paper of the Government of Lao PDR on Governance Issues"*. Vientiane;
12. Government of Laos, (2008), *Prime Ministerial Decree on Administrative Position of Lao Civil Service* № 99/PM, dated 23<sup>rd</sup> June 2008;
13. Government of Laos, (2011), *Prime Ministerial Decree on Organize and Operation of the Ministry of Home Affairs* № 253/PM, dated 19<sup>th</sup> August 2011;
14. Government of the Lao PDR and United Nations, (2008), *Millennium Development Goals: Progress Report of Lao PDR*. Vientiane;
15. Chamberlain, J. (2007), *Participatory Poverty Assessment - II*. Vientiane: National Statistics Centre (Committee of Planning and Investment) and Asian Development Bank;
16. Burns John P. and Phitthayā Bowōṇwatthanā ed., (2001), *Civil Service Systems in Asia*, Edward Elgar Publishing: Great Britain;
17. Kim Pan Suk ed., (2009), *Public Administration and Public Governance in ASEAN Member Countries and Korea*, Daeyoung Moonhwasā Publishing Company, Seoul, Republic of Korea.

